



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4

SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

March 14, 2023

DEMAND LETTER

URGENT LEGAL MATTER-PROMPT REPLY NECESSARY

RETURN RECEIPT REQUESTED

Mr. David Confer
President, Corporate Lakes Atlanta, LLC
c/o Corporation Service Co., Registered Agent
40 Technology Parkway South, #300
Norcross, Georgia 30092

Re: Demand for Reimbursement of Costs Expended at Lakes Parkway Lithium Battery Fire
Superfund Site, Lawrenceville, Gwinnett County, Georgia

Dear Mr. Confer:

The U.S. Environmental Protection Agency (EPA) has reviewed your March 10, 2023, response to the Agency's January 4, 2023, Information Request regarding the Lakes Parkway Lithium Battery Fire Site (the Site), located at 1665 Lakes Parkway, Suite 116, Lawrenceville, Gwinnett County, Georgia. Based on your response and other available information, the EPA has determined that Corporate Lakes Atlanta may be responsible under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), commonly known as the federal "Superfund" law, for costs the EPA has incurred cleaning up the Site.

Explanation of Potential Liability

Under CERCLA, specifically Sections 106(a) and 107(a), potentially responsible parties (PRPs) may be required to perform cleanup actions to protect public health, welfare, or the environment. PRPs may also be responsible for all costs incurred by the EPA in cleaning up the Site, unless the PRP can demonstrate divisibility or assert one of the statutory defenses. PRPs include current and former owners and operators of a Site, persons who arranged for treatment and/or disposal of any hazardous substances found at the Site, and persons who accepted hazardous substances for transport and selected the Site or facility to which the hazardous substances were delivered.

Based on the information collected, the EPA believes Corporate Lakes Atlanta, as owner of the Site, may be liable under Section 107(a) of CERCLA for EPA's response costs at the Site.

To date, the EPA has conducted a time-critical response action at the Site under the authority of the Superfund Program. Below is a description of the actions taken at the Site.

On December 10, 2021, an EPA On-Scene Coordinator (OSC) arrived at the Site and observed hundreds of large, burned, lithium-ion batteries sitting on asphalt pavement near the loading dock. Unsecured batteries were continuing to arc and self-ignite releasing toxic smoke into the environment which could

affect a residential community and businesses located within 200 yards of the Site. Smoke from burning lithium-ion batteries produces numerous toxic gases including hydrogen fluoride, which is a CERCLA hazardous substance.

Han Metal declined to perform the removal action. The OSC initiated an emergency removal action and EPA contractors were mobilized to the Site. The EPA submerged damaged batteries in containers of saltwater to discharge their energy and reduce fire and explosion hazards, and contractor crews covered other batteries with sand and poly sheets to prevent reactivity and suppress toxic smoke. Immediate removal activities included segregating the batteries by kind and bagging and securing them in drums; collecting sediment and water samples from the retention pond; and securing drums containing batteries in storage boxes pending off-Site disposal. Ultimately, contractor crews packaged and shipped 13,414 lbs. of damaged batteries to an appropriate disposal facility. Studies were conducted to assure the Site did not pose additional threats to human health and the environment, and the removal was completed in March of 2022.

Demand for Reimbursement of Costs

In accordance with CERCLA, the EPA has incurred costs responding to Site conditions and performing a removal action at the Site, as described above. An itemized Superfund e-Recovery Report detailing the expenses incurred by the government is contained in Enclosure 1. The total response costs incurred by the EPA in connection with the Site through January 19, 2023, is approximately **\$719,595.91**. In accordance with Section 107(a) of CERCLA, 42 U.S.C. §9607(a), the EPA hereby demands payment from Corporate Lakes Atlanta in this amount.

Interest rates are variable. The rate applicable on any unpaid amounts for any fiscal year is the same as is specified for interest on investments of the Hazardous Substance Superfund which is determined by the Department of Treasury. The current annual rate of interest on unpaid costs is 3.01%.

Remittance of past response costs shall be made within thirty (30) calendar days of your receipt of this letter in the form of a certified or cashier's check made payable to the U.S. EPA Hazardous Substance Superfund, established pursuant to CERCLA in Title 26, Chapter 98 of the Internal Revenue Code. Your check should reference your name, the name of the Site (Lakes Parkway Lithium Battery Fire) and the Site ID #C4L8. The EPA strongly encourages you to give this matter immediate attention and to respond to this letter within the time specified above. Please direct any questions to Christopher E. Jones at jones.christophere@epa.gov.

The remittance should be mailed to:

United States Environmental Protection Agency
Superfund Payments
Cincinnati Finance Center
Post Office Box 979076
St. Louis, Missouri 63197-9000

A copy of your check should also be mailed to Ms. Paula V. Painter at:

U.S. Environmental Protection Agency – Region 4
Enforcement Branch
Superfund & Emergency Management Division
61 Forsyth Street, S.W.
Atlanta, Georgia 30303

If you fail to respond to this demand within 30 days of your receipt of this letter, the EPA will conclude that you have declined to reimburse the Hazardous Substance Superfund for Site expenditures. Consequently, the EPA may pursue enforcement action against you pursuant to CERCLA Section 107(a), 42 U.S.C. §9607(a).

Financial Concerns/Ability to Pay Settlements

The EPA is aware that the financial ability of some PRPs to contribute toward the payment of response costs at a site may be substantially limited. If you believe, and can document, that you fall within that category, please contact Christopher E. Jones at jones.christophere@epa.gov for information on ability to pay settlements. In response, you will receive a package of information about the potential for such settlements and a form to fill out with information about your finances, and you will be asked to submit financial records including federal income tax returns. If the EPA concludes that you have a legitimate inability to pay the full amount of EPA's costs, the EPA may offer a schedule for payment over time or a reduction in the total amount demanded from you.

Also, please note that because the EPA has a potential claim against you, you must include the EPA as a creditor if you file for bankruptcy. The EPA reserves the right to file a proof of claim or an application for reimbursement of administrative expenses.

Please give these matters your immediate attention. Please direct any questions to Christopher E. Jones, Environmental Protection Specialist, at (470) 829-5928, or jones.christophere@epa.gov, or to Deborah Benjamin, Esq., Assistant Regional Counsel, at (404) 562-9561, or benjamin.deborah@epa.gov. We look forward to your prompt response to this matter.

Sincerely,

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HANNIBAL

Digitally signed by ERIKA
HANNIBAL
Date: 2023.03.14
09:24:36 -04'00'

For

Maurice L. Horsey, IV, Manager
Enforcement Branch
Superfund & Emergency Management Division

Enclosure